

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

**W-03476A**  
**AUBREY WATER COMPANY**  
**PO BOX 961089**  
**FT. WORTH, TX 76161-0089**

A

**RECEIVED**

APR 18 2005

AZ Corporation Commission  
Director Of Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

Company Name (Business Name) BN Leasing dba Aubrey Water Company

Mailing Address PO Box 961089  
(Street)  
Fort Worth, TX 76161-0089  
(City) (State) (Zip)

817-352-3415 817-352-3434  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address richwmson@theriver.com

Local Office Mailing Address PO Box 65646  
(Street)  
Tucson, AZ 85728  
(City) (State) (Zip)

520-275-2236 520-615-7704  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address same as above

## MANAGEMENT INFORMATION

Management Contact: James J. O'Neil Vice- President  
(Name) (Title)  
PO Box 961050 Fort Worth TX 76161-0050  
(Street) (City) (State) (Zip)

c/o 520-275-2236 520-615-7704  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: Richard S. Williamson  
(Name)

Box 65646 Tucson, AZ 85728  
(Street) (City) (State) (Zip)

520-275-2236 520-615-7704  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address richwmson@theriver.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** CT Corporation System

(Name)

3225 N. Central Avenue  
(Street)

Phoenix  
(City)

AZ  
(State)

85012  
(Zip)

602-277-4792

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Jeffrey Crockett

Snell

(Name)

One Arizona Center  
(Street)

Phoenix  
(City)

AZ

(State)

85004-0001

(Zip)

602-382-6234

Telephone No. (Include Area Code)

602-382-6070

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

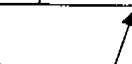
☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	108,620	53,072	55,548
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	221,567	221,567	0
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	42,987	17,196	25,791
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>373,174</b>	<b>291,835</b>	<b>81,339</b>

This amount goes on the Balance Sheet Acct. No. 108 

NOTE: Detail on older assets not available due to age of system and the fact that the older infrastructure is totally depreciated.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	108,620	10%	10,862
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	221,567	Totally	Depreciated
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	42,987	10%	4299
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	373,174		15,161

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

### BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>		
		\$0	\$0
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$373,147	\$373,147
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	276,674	291,835
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$96,473	\$81,339
	<b>TOTAL ASSETS</b>	<b>\$96,473</b>	<b>\$81,339</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	3,550	2,625
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$3,550	\$2,625
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$3,550	\$2,625
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$1,000	\$1,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	91,923	77,714
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$92,923	\$78,714
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$96,473	\$81,339

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$103,845	\$108,557
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$103,845	\$108,557
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	27,161	29,531
621	Office Supplies and Expense		
630	Outside Services	72,000	72,000
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		8,500
675	Miscellaneous Expense		
403	Depreciation Expense	15,161	15,161
408	Taxes Other Than Income	6,809	8,026
408.11	Property Taxes	6,671	6,646
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$127,802	\$139,864
	<b>OPERATING INCOME/(LOSS)</b>	\$(23,959)	\$(31,307)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$0	\$0
	<b>NET INCOME/(LOSS)</b>	<b>\$(23,959)</b>	<b>\$(31,307)</b>



**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	NONE			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ NONE

Meter Deposits Refunded During the Test Year

\$ NONE

NOTE: ALL METERS EITHER FULLY PAID OFF OR PAID FOR BY THE COMPANY AT INSTALL.

COMPANY NAME AUBREY WATER COMPANY

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-627275	30	200	400+/-	16 inches	4 inches	1940
55-627276	30	200	400+/-	16 inches	4 inches	1940

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30 HP	3	10	5
15 HP	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
30,000 gallon	1	3,000 gallon	1
210,000 gallon	1		

COMPANY NAME AUBREY WATER COMPANY

## WATER COMPANY PLANT DESCRIPTION (CONTINUED)

### MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	3560
3		
4	PVC	9600
5		
6	PVC	1800
8		
10		
12		
1-2 1/2	Galv.	14,580
4-6	CIP	15,600

### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	235
3/4	
1	2
1 1/2	3
2	4
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

#### TREATMENT EQUIPMENT:

\_\_\_3 chlorineter injection pumps and solute storage tanks.

#### STRUCTURES:

\_\_\_2 pump buildings  
\_\_\_1 storage building

#### OTHER:

COMPANY NAME: AUBREY WATER COMPANY

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	244	2,323,000	3,679,400
FEBRUARY	244	7,832,000	3,179,400
MARCH	244	3,089,000	3,826,500
APRIL	244	3,002,000	4,276,100
MAY	244	1,419,000	4,381,300
JUNE	244	3,237,000	6,470,700
JULY	244	5,064,000	6,672,600
AUGUST	244	5,834,000	5,574,400
SEPTEMBER	244	7,054,000	6,259,700
OCTOBER	244	3,453,000	4,206,400
NOVEMBER	244	1,949,000	3,990,000
DECEMBER	244	2,901,000	3,539,600
TOTAL		N/A	56,056,100

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. 0.03 & 0.04 mg/l  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME           AUBREY WATER COMPANY           YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$         6,646        

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME AUBREY WATER COMPANY YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported NONE  
Estimated or Actual Federal Tax Liability NONE

State Taxable Income Reported NONE  
Estimated or Actual State Tax Liability NONE

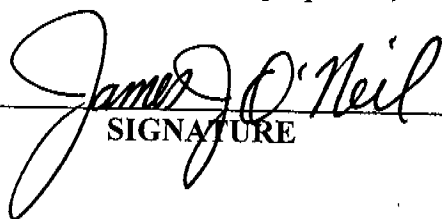
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances NONE  
Amount of Gross-Up Tax Collected NONE  
Total Grossed-Up Contributions/Advances NONE

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

APRIL 14, 2005  
DATE

JAMES J. O'NEIL  
PRINTED NAME

VICE PRESIDENT AND SECRETARY  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 18 2005

VERIFICATION

STATE OF TEXAS

I, THE UNDERSIGNED

OF THE

**AZ Corporation Commission  
Director Of Utilities**

COUNTY OF (COUNTY NAME) <b>TARRANT</b>	
NAME (OWNER OR OFFICIAL) TITLE <b>JAMES J. O'NEIL, VICE PRESIDENT and SECRETARY</b>	
COMPANY NAME <b>BN LEASING CORPORATION dba AUBREY WATER COMPANY</b>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH <b>12</b>	DAY <b>31</b>	YEAR <b>2004</b>
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

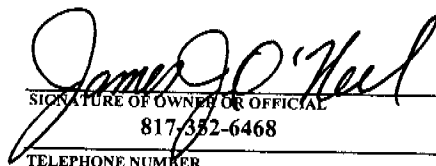
Arizona Intrastate Gross Operating Revenues Only (\$)  \$ <u>108,557.00</u>
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(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 8,026.00  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SUBSCRIBED AND SWORN TO BEFORE ME

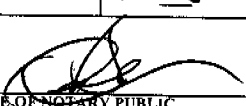
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
817-352-6468  
\_\_\_\_\_  
TELEPHONE NUMBER

THIS 16TH DAY OF

COUNTY NAME <b>TARRANT</b>	
MONTH <b>April</b>	YEAR <b>2005</b>

 **DAN BLEWITT**  
Notary Public, State of Texas  
My Commission Expires 11-04-07  
**MY COMMISSION EXPIRES 11/04/07**

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

# RECEIVED

APR 18 2005

AZ Corporation Commission  
Director Of Utilities

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
**INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	TARRANT COUNTY TEXAS	
NAME (OWNER OR OFFICIAL)	JAMES J. O'NEIL	V PRES & SEC
COMPANY NAME	BN LEASING CORPORATION dba AUBREY WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

## SWORN STATEMENT

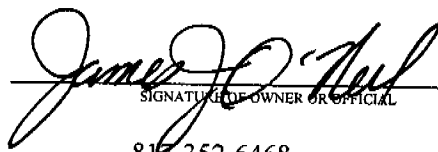
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 108,557.00

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 8,026.00  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL  
817-352-6468  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

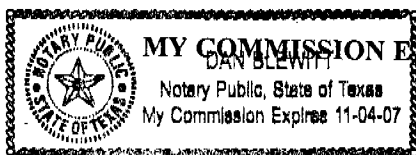
THIS

14th

DAY OF

NOTARY PUBLIC NAME <u>DAN BLEWITT</u>	
COUNTY NAME <u>TARRANT</u>	
MONTH <u>April</u>	<u>2005</u>

(SEAL)



MY COMMISSION EXPIRES

Notary Public, State of Texas  
My Commission Expires 11-04-07

11/04/07

X

  
SIGNATURE OF NOTARY PUBLIC



## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**